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ABSTRACT

The impact of student aid policies on women is assessed. Patterns of enrollment and economic profiles differ for male and female students. Women, for example, far surpass men as adult, part-time, independent, and unclassified students, the categories most likely to present barriers to participating in most financial aid programs. Gender issues in student aid policy include: loan burdens of women in light of the data that women generally earn lower salaries than men; women's loan default rate and their rate of bankruptcy; the award of merit scholarships to males and females; the unmet financial need under current student aid policies for single women with children because of their classification as independent students; barriers to working women in corporate benefit programs that pay tuition; child care as a cost of attending college; contradictory policies in public welfare and student aid programs; participation of low-income females in the Guaranteed Student Loan Program; the contributions to college costs that women's parents make compared to men's parents; and award of research assistantships to women compared to men. Actions that could improve women's participation in student aid programs are identified. (SW)

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Student Financial Aid and Women

Mary Moran, U.S. Department of Education

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Equal opportunity continues to be an essential variable in justifying the existence of student aid programs, but not much attention has been focused on the degree to which this objective is being achieved for women. While it is no longer news that women are allowed to enroll in prestigious law schools, to play in college sports, and are beginning to enroll in nontraditional careers, the question now becomes whether or not women are able to pay for higher education. Who pays? Who benefits? Who should pay? The questions continue to be relevant in the late 1980s, but the answers have shifted since the 1970s.

Although intentional discrimination is generally not the case, significant policy issues exist for men and women—in total resources available to pay college costs, in the amounts and percentages derived from different sources, and in the way financial aid is distributed among students (Davis 1977; Rosenfeld and Hearn 1982). For every dollar a man receives, women receive 68 cents in college earnings, 73 cents in grants, and 84 cents in loans for low-income undergraduates (U.S. Department of Education 1983). The more significant differences between genders appear in discretionary programs like college work study, academic merit scholarships, research assistantships, and corporate benefit programs that pay tuition. Because many student aid programs are based on formulas, a necessary unit of analysis becomes the formula itself and other regulatory policies.

Despite the fact that the value and worth of higher education are occasionally challenged, actual statistics on poverty rates, hourly wages, and lifetime earnings make it clear that increased years of schooling are especially important for women. Two out of every three adults in poverty are women, yet poverty rates decrease with additional years of education and salaries become more comparable with increased years of schooling. The income of women with five years or more of college is 66 percent of comparable males with the same level of educational achievement; women with a high school diploma earn 59 percent of the income of similar males.

As the costs of attending college increase at more than double the rate of inflation, the financial concerns of women need to be addressed. Demographic changes continue to affect patterns of college enrollment. Since 1970, college enrollment of women increased 77 percent, compared to a 23 percent increase for men. Indeed, women are contributing to a whole new style of postsecondary education emerging in America. Their patterns of enrollment and economic profiles differ from those of men, however, which should send warning signals to student aid analysts and college officials. Women, for example, far surpass men as adult, part-time, independent, and unclassified students—those categories most likely to present barriers to participating in most financial aid programs. Women tend to depend on low-cost institutions, outnumbering men in public undergraduate four-year and two-year colleges, while men outnumber women in high-cost, private institutions. Further, females with degrees are more likely to enter the careers paying the lowest salaries.

What Are Major Policy Issues on Major Student Aid Affecting Women?

Nearly all of the debate, research, and lobbying on student aid have concentrated on percentages of funds received by type of institution—four-year public,

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two-year public, independent, and proprietary (Miller 1984). Yet some of the more difficult questions are being overlooked: What is the distribution of aid among women? What is the nature of their aid packages? How do women fare in student employment programs? Do women receive equal institutionally funded and corporate-funded aid? What is the nature of their cumulative debt? With over $21 billion invested each year in all forms of student aid, these questions need to be addressed. Several policies are of significant concern.

- The average salary of women repaying Guaranteed Student Loans is $17,407, while that of males is $23,093; thus, women must use a larger proportion of income than men to repay student loans (Boyd and Martin 1986).
- Women are more likely to default on student loans and more likely to declare bankruptcy. Divorced women, for example, are nearly three times as likely to declare bankruptcy as divorced males (17 percent versus 6 percent) (Stanley and Girth 1971).
- In the current push for educational excellence, institutions are intensifying recruiting efforts by awarding scholarships for "academic merit"; women, however, are underrepresented in such programs and may be confronting unintentional biased attitudes during nomination, screening, and selection. Although female high school seniors, for example, far outnumber males in entering college, 2,280 females and 3,741 males won National Merit Scholarships in 1985, of which 49 females and 264 males received awards in computer sciences.
- Single women with children have the most critical unmet need under current student aid policies. Independent students with children are more than twice as likely to be female and nearly five times as likely to be 24 years of age or older (Fenske, Hearn, and Curry 1985). Women are twice as likely as men to be classified as independent students (66 percent versus 34 percent) at the freshman level, have greater unmet financial need, have higher dropout rates, and pay a greater portion of their own college costs than dependent students.
- Working women confront barriers in corporate benefit programs that pay tuition. When employees move into top management positions, their job descriptions usually become more generalized, therefore, affording access to a wider range of "job-related" training courses. More women tend to work in nonmanagerial positions with more restricted job descriptions and therefore have fewer such opportunities.
- Child care is a significant cost of attending college for many women, yet student aid policies usually are inconsistent, unclear, or nonexistent about what allowances may be claimed.
- Individuals eligible to receive public assistance, three-fourths of whom are women, generally are required to report all forms of student financial assistance, including student loans, as a "source of income," and that amount is subtracted either in whole or in prorated amounts from total allowable benefits (Hansen and Franklin 1984).
- Low-income females tend to participate at *half* the rate of low-income males in the Guaranteed Student Loan program. More women may be unwilling to apply for loans when they face the prospect of low earnings upon graduation.
- For nearly 65 percent of freshmen women (47 percent of freshmen men), parental aid is a major source of support. Parents of women contribute more than expected compared to amounts contributed by parents of men as a consequence of their receiving less student aid (David 1977).
- Men hold disproportionately more research assistantships, as opposed to teaching assistantships. Recipients of research assistantships have more opportunities to publish before they finish their Ph.D.s and receive more subsidized conference travel.

What Actions Are Needed to Improve the Participation of Women in Student Aid Programs?

Given the importance of equal opportunity in achieving educational excellence, the underlying causes of inequity need to be recognized and corrected (Klein 1985; Miller 1984). Several actions could improve women's participation in student aid programs: conducting research, targeting information toward women, funding child care, improving partnerships between high schools and colleges, equalizing pay in college work programs, coordinating requirements for student aid with public assistance offices, increasing student aid from the private sector, reviewing standards of accreditation, expanding options to forgive loans, and implementing self-assessment programs. An overlooked issue in the debate over *Grove City v. Bell* is that of equitable distribution of financial assistance for students. Initial interpretations of the ruling have emphasized only the "student aid office," not the "student aid program" as directed by the Supreme Court. This distinction is essential, because many awards of student aid—athletic scholarships, graduate internships, research assistantships, endowments, and scholarships from the private sector—neither filter through nor are reported by the student aid office.

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